

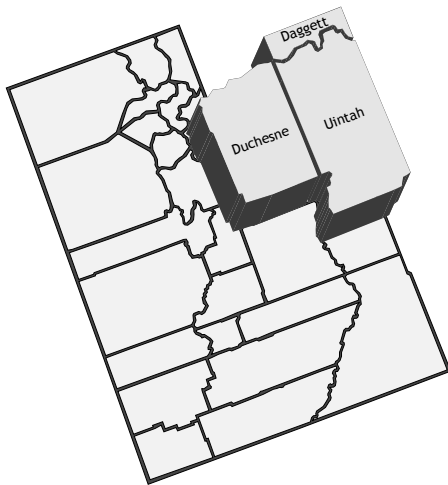
# Workforce News



A quarterly publication of the Department of Workforce Services: issued September 2009

**Uintah Basin: Daggett, Duchesne, Uintah**

**jobs.utah.gov**



## From An Economy in Overdrive to Idle



Inside:

- **Daggett:** Unemployment edges up while jobs leave the county.
- **Duchesne:** The recession is here, job growth negative and unemployment more than doubles.
- **Uintah:** Job growth fizzles as the recession grips the economy. Joblessness nearly triples from last year.

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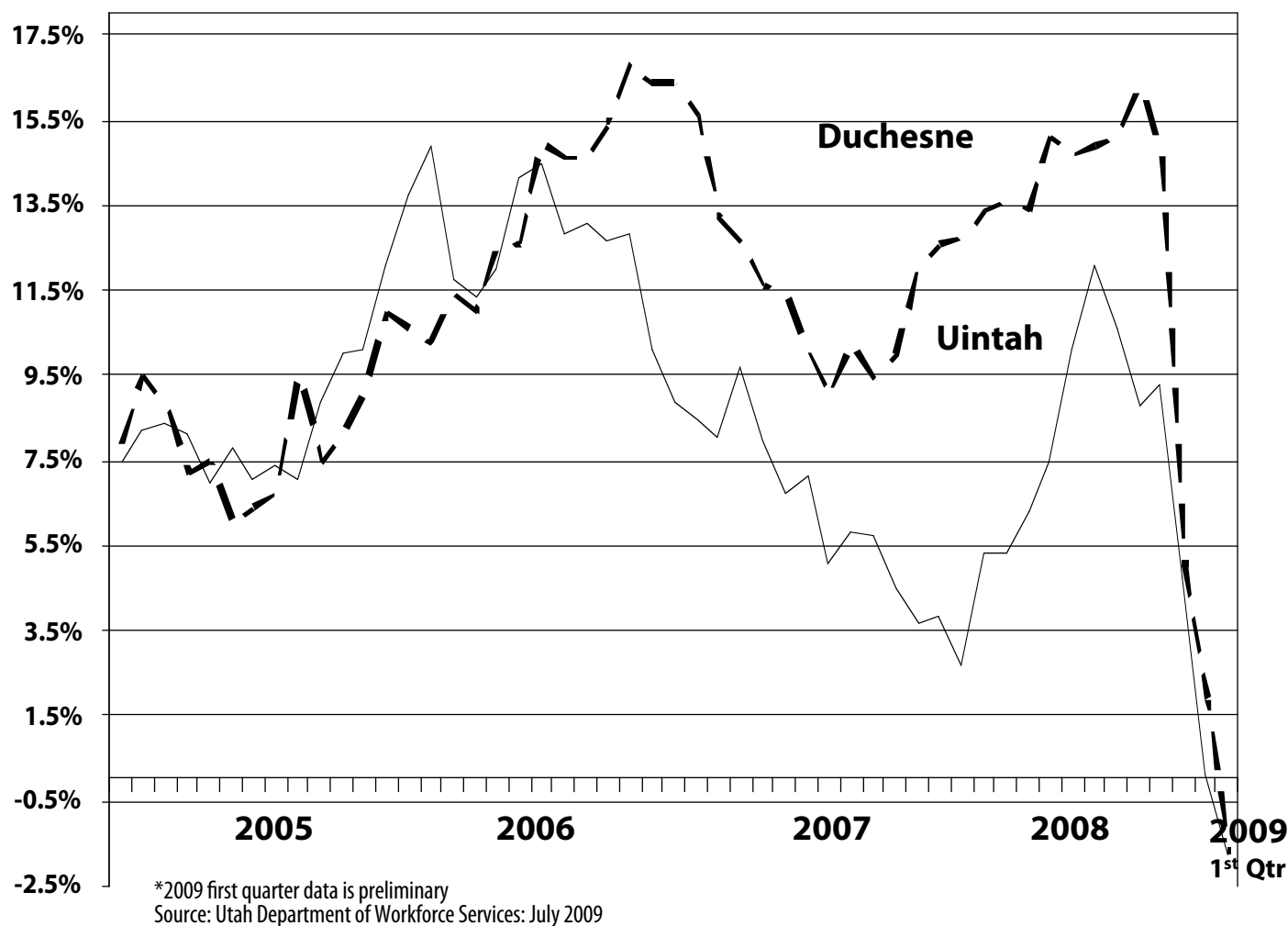
In just a few months' time the economy in the Uintah Basin has gone from dramatic double-digit job growth to job loss. Employment in 2005 was growing at about a 7.5 percent pace, twice the state average, then it accelerated to the 15-17 percent range in 2006. This high growth put heavy pressure on the marketplace to satisfy the needs of employers for workers, and pressure on the infrastructure to serve workers' needs, e.g. housing. In early 2007, employment growth started to slide from the high levels, and dropped back to about 9.5 percent for Duchesne County. Employment growth dropped down to about 3 percent for Uintah County by mid to late 2007. High energy prices made employment surge again in 2008

*(continued)*

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## Overdrive to Idle (continued)

### Duchesne & Uintah County Employment Growth Rates



until about the third quarter when a peak was reached. In Duchesne County that was November 2008, when the year-over employment growth rate reached 16.3 percent. Uintah County reached its peak earlier, in September (2008) with a job creation rate of 12.0 percent.

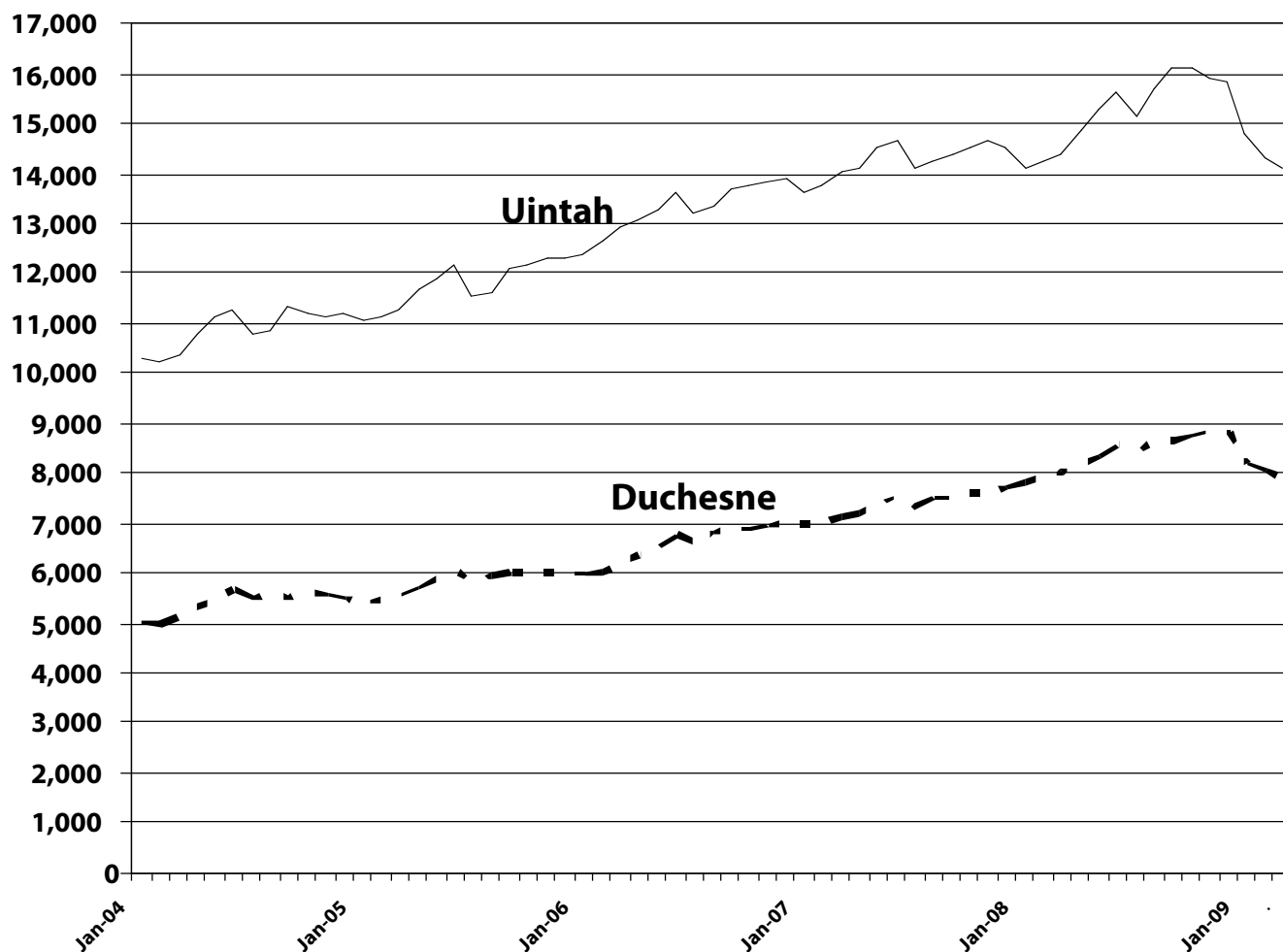
Since those peaks, employment has plummeted. In about six months or less, employment growth has fallen past zero and landed at a -1.7 percent in March of 2009. New year-over jobs at their peak month totaled 1,240 in Duchesne County (November) and 1,730 in

Uintah County (September). In March of 2009 the year-over job loss in Duchesne was 135 and in Uintah County 250 positions were shed.

(continued)

## Overdrive to Idle (continued)

### Duchesne & Uintah County Employment



\*2009 first quarter data is preliminary.

Source: Utah Department of Workforce Services: July 2009

#### When Job Losses Occur, Unemployment Rises

Until late 2008 and into the first half of 2009 unemployment rates in the Uintah Basin were nearly nonexistent, in the mid-2-percent range. This is what we call “full

employment” in economic vernacular, when there is a job for every one who wants one. At that time, the economy was booming and workers were hard to find. When the economy sputtered at the end of 2008, it was natural that

unemployment rates would rise. Even with some workers leaving the Basin searching for work, the rates went up. By May of 2009 the rate of joblessness was more than double the boom-time rates. In Duchesne County the unemploy-

## Overdrive to Idle (continued)

ment rate in May of 2008 was 2.6 percent. In May of 2009 that rate was 7.1 percent. The Uintah County experience was similar with the May 2008 unemployment rate of 2.3 jumping to 6.6 percent a year later.

### What about Mining (Oil & Gas) Jobs?

As goes mining, so goes the Uintah Basin. The area's economy is natural resource-based. In employment terms, the mining industry accounts for about one in five jobs in Duchesne County and about one in four jobs in Uintah County. Since mid-decade, mining has boomed in the Basin, up until the first quarter of 2009. Mining peaked in Duchesne County at 1,740 jobs in November of 2008. In March of 2009 it had fallen to 1,360 jobs, or a drop of about 22 percent. For Uintah County mining employment peaked in September of 2008, with about 4,160 jobs. It is now (March 2009) at the 3,100 level, down over 1,000 positions from the peak last September. Clearly, economic forces have changed, both at the industry level and at regional and national level, with the continuation of the recession. Economic activity will improve, but it is unknown when it will turn around. **WFN**



## What's Up?

"A closely held company is snapping up rights to thousands of acres of private land for a wind farm near **Manila** in northeastern Utah, promising royalties to the local ranchers."

—Associated Press

"**Three Indian reservations in Utah** will get a boost of a little more than \$1.2 million in stimulus money to improve water infrastructure. The money is part of \$9.5 million being distributed to six states for shovel-ready projects. Overall, across the country, \$90 million will be distributed to improve public and environmental health in Indian Country."

—Deseret News

# County News

## Daggett County:

In March of 2009 there were some 70 fewer jobs in the county than a year ago. Virtually the entire decline, 18.2 percent, came from the construction industry as it dropped some 60 workers. The unemployment rate rose less than a percent between June of 2008 (4.5 percent) and June of 2009 (4.7 percent). Retail trade employment in first quarter was off a handful of workers and government, the primary employer in the county, maintained its workforce at the same levels as last March. Consumer spending in the county fell by 9.8 percent between the first quarter of 2008 and 2009. Construction activity during the wintry first quarter was close to zero with very little activity. The county economy will pick up again as it usually does in the second quarter and through the fall as the outdoor enthusiasts travel to the county.

## Duchesne County:

There was a big difference between the fourth quarter of 2008 figures for job counts and the first quarter of 2009 in Duchesne County. In one quick quarter, job growth of over 13 percent (December of 2008) became job losses of -1.7 percent (March 2009). When employment drops, the unemployment rate increases. That was surely the case here. The unemployment rate of June of 2008 was a meager 2.5 percent. By June of 2009 that rate had jumped to 7.4 percent. Over 130 fewer jobs were reported in March of 2009 compared to a year ago. Mining lost about 30 positions, with construction dropping 120 slots. Manufacturing reduced its payroll by 80 and the accommodation and food services sector lost 50 positions. Industries that added jobs were healthcare (50) and local government (60). Although employment was down, spending by con-

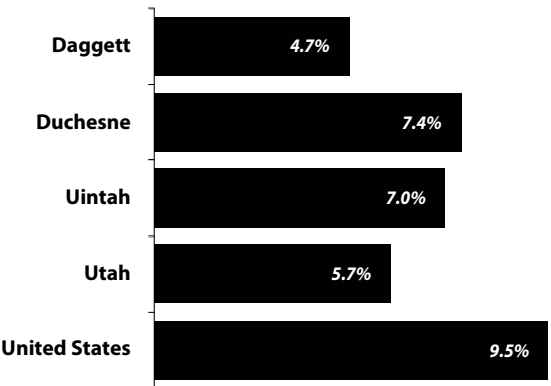
sumers was up by a healthy 18 percent during the first quarter 2009. Construction activity was down both in the number of permits (- 60 percent) and in the total valuation of construction (-40 percent). The county's economy is definitely feeling the grip of the recession.

## Uintah County:

Job growth of 9.1 percent in December of 2008 fell to -1.7 percent in March of 2009. Unemployment in the county jumped from an insignificant 2.2 percent in June of 2008 to a substantial 7.0 percent in June of 2009. These are obvious indicators of the slow-down in virtually all levels of the national, state, and county economies. Of particular interest to the Basin is the virtual collapse in energy prices. In Uintah County there were 250 fewer jobs this March than last. Down by 200 were both mining and construction sectors. Some of the losses were offset by gains in retail trade (60) and transportation (25). Equipment leasing companies dropped about 50 workers, and accommodation and food services trimmed employment by 95 jobs. Healthcare, with 60 new jobs, and local government with 110 new jobs, were the only industries with significant gains over last year. Consumer spending during the first quarter was off by 14 percent, and construction valuation was off a whopping 83 percent from first quarter of 2008. The county has enjoyed much job growth but is now feeling the grip of the national recession. **WFN**

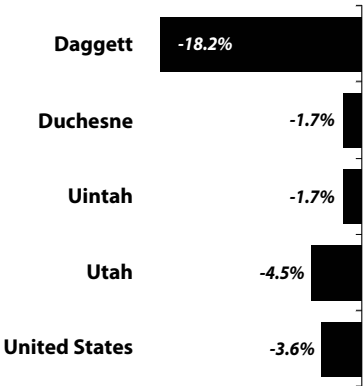
For more employment information about your county go to: <http://jobs.utah.gov/countyinfo> and select your county, then go to Labor Market Indicators in the right-hand margin.

**Seasonally Adjusted Unemployment Rates**  
**June 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs**  
**March 2008 to March 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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